Lancashire
Enterprise Partnership

LEP – Sub Committee

LEP - Business Support Management Board

Private and Confidential: No

Date: Wednesday, 9 January 2019

Lancashire Energy Plan
(Appendix 'A' refers)

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Executive Summary

One of the four 'grand challenges' of Local Industrial Strategy, Clean Growth has emerged as an increasingly important area of government policy. In 2018, the Energy team in the Department for Business, Energy and Industrial Strategy provided a grant of £40,000 via Local Enterprise Partnership structures in England. The push to develop a local Energy Strategy / Plan was prompted by two main factors:-

- Analysis commissioned by the Department of Business, Energy and Industrial Strategy of local Strategic Economic Plans and European Structural and Investment Fund plans highlighted a mixed picture in respect of clear policies, strategies and activity focussed on clean growth / low carbon activity.

- The Department for Business, Energy and Industrial Strategy were also concerned about the lack of interest and applications for European Structural and Investment funds to support low carbon projects (Priority 4 for the use of European Regional Development Fund allocations in local areas).

The work in Lancashire to produce an Energy Strategy, which is attached as Appendix 'A' to this report, was led by a steering group comprising representatives from local authorities, public health, two universities, local utility companies, the private sector and the Lancashire Enterprise Partnership.

Recommendation

The Business Support Management Board is asked to:-

(i) Receive and consider Lancashire's Energy Strategy on behalf of the Lancashire Enterprise Partnership.

(ii) Note the extent to which European Regional Development Funding Priority 4 funding has been committed.

(iii) Consider and identify partners who are best equipped to take forward the actions arising from the Lancashire's Energy Strategy.

1 Background and Advice

1.1 The Lancashire Energy strategy commission was led by a specialist consultancy Encraft.

1.2 Their key findings included:

- There is a significant potential for wind power across the county which has resulted in the development of both offshore and onshore wind farms to exploit this. There is technically yet more potential to be exploited as even in the area with the most significant wind farm developments (Rossendale which includes Scout Moor at 65MW which is one of the largest installations in England) this only accounts for 22% of what could potentially be installed. However, it is noted that the planning environment has changed, with more barriers to this type of development, therefore it may be that focus on the offshore industry may be an easier path to take advantage of this resource.

- There is an established nuclear industry and associated supply chain, and a recently uncovered resource in shale gas. Despite increasing uncertainty about the long-term future of the nuclear sites, key businesses are finding new markets associated with decommissioning, new nuclear and the potential development of modular reactor technology.

- There is a flourishing but underreported technology sector providing high-value design and manufacturing skills to the small-scale renewable energy industry.

- Carbon emissions are dominated by large industries such as the production of cement. Carbon emissions per capita are generally in line with national averages until these industries are taken into account and then large spikes indicate the magnitude of the carbon impact.

- Generally, connections to both the gas and electricity network are currently not providing a barrier to development with good access to both infrastructures. However specific key development sites can lack the infrastructure to be developed quickly, whilst for regions such as the Forest of Bowland, lack of access to the gas grid is increasing instances of fuel poverty as residents are forced to pay higher prices for alternative fuels.

2. Current Activity

2.1 Lancashire has done comparatively well in terms of finding projects and committing resource from the ERDF - Low Carbon priority P4. There are four active projects including business finance, support from UCLAN and Lancaster universities and an SME energy efficiency programmes run by East Lancashire Chamber of commerce. These project have committed over £9m of resource in the low carbon support arena but 60% of the budget remains uncommitted at this stage.

3. Future Priorities

3.1 Looking to the future, Table 1 captures the suggested vision and focus for the Lancashire Enterprise Partnership and local partners moving forward:-

Table 1.

2030 Vision Statement

Lancashire has well-developed industry in the low carbon sector, sustaining secure high skilled jobs and supporting further energy efficiency and decarbonisation improvements in wider homes and businesses

For the LEP and Local Authority partners six key indicators are proposed:

Insulate	Improving energy efficiency of hard to treat properties.
Heat	Delivery of a city centre heat network within a Lancashire urban area.
Jobs	Supporting the creation of jobs in the energy and low carbon sectors.
Low carbon	Carbon emissions reduced in line with UK targets, a 57% reduction on 1990 levels by 2032.
Active	Double journeys by bike and increase the number of people walking by 10% by 2027 in line with Lancashire's Cycling and Walking Strategy
Productivity	Improve energy productivity by 20% in commercial and industrial sectors

3.2 Whist the money for this strategy was channelled through the LEP, many of priorities listed above will require work from a broader-based alliance of local partners to adopt and take forward activity which will deliver this vision.

3.3 Actions to address fuel poverty and to improve insulation on older residential dwellings is difficult to co-ordinate, with public health, local authorities and housing associations all potentially key players.

3.4 With some notable exceptions, moves to pursue shared heat or power networks within discrete developments have not progressed beyond initial feasibility stage. We can now draw on the resource of the North West Energy Hub to better understand this pattern.

3.5 Continued improvements in transport infrastructure and the continued migration top low emission vehicles is central to addressing carbon emissions, but this area of policy is largely determined on a national foot-print.

List of Background Papers

Paper	Date	Contact/Tel
None		

Reason for inclusion in Part II, if appropriate

N/A